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AZ CORP COMMISSION  
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P.O. Box 711  
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March 5, 2015

Arizona Corporation Commission  
**DOCKETED**

MAR 05 2015

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Docket Control  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Re: Notice of Errata – UNS Electric, Inc.’s Annual Demand-Side Management Progress Report, Docket No. E- 00000U-15-0053

On February 27, 2015, pursuant to the Electric Energy Efficiency Standards set forth in the Arizona Administrative Code, Section R14-2-2409.A, UNS Electric, Inc. (“UNS Electric”) submitted its annual DSM progress report for each of its Commission-approved DSM programs. Since the filing, UNS Electric has discovered various errors that need to be corrected. They are:

1. Table 3 shown on page 6 of the report reflects several incorrect numbers. Please replace the page 6, with the attached, corrected page 6; and
2. Table 5 shown on page 8 of the report reflects several incorrect numbers. Please replace the page 8, with the attached, corrected page 8; and
3. Page 24 shows the incorrect number of kW savings and kWh savings. Please replace the page 24, with the attached, corrected page 24; and
4. Page 29 shows the incorrect number of participants and sites in the table. Please replace the page 29, with the attached, corrected page 29.

If you have any questions, please contact me at (520) 884-3680.

Sincerely,



Melissa Morales  
Regulatory Services

cc: Barbara Keene, Utilities Division, ACC  
Compliance Section, ACC

**UNS Electric, Inc.**

**DSM PROGRESS REPORT FOR THE PERIOD:  
January through December 2014**

**Table 3**

**CUMULATIVE DSM SAVINGS: JANUARY – DECEMBER 2014**

<b>UNSE Year</b>	<b>Retail Energy Sales (MWh)</b>	<b>Incremental Annual Energy Savings (MWh)</b>	<b>Cumulative Annual Energy Savings (MWh)</b>	<b>Cumulative Annual Savings as a % of previous year Retail Sales</b>	<b>Cumulative EE Standard</b>
2010	1,857,160				
2011	1,852,904	15,005	15,005	0.81%	1.25%
2012	1,755,541	35,032	50,037	2.70%	3.00%
2013	1,699,307	34,764	84,801	4.83%	5.00%
2014	1,677,445	39,227	124,028	7.30%	7.25%

**UNS Electric, Inc.**

**DSM PROGRESS REPORT FOR THE PERIOD:  
January through December 2014**

**Table 5**

**DSM LIFETIME ENVIRONMENTAL SAVINGS: JANUARY – DECEMBER 2014**

<b>Program</b>	<b>Lifetime SO<sub>x</sub> Reduction (lbs)</b>	<b>Lifetime NO<sub>x</sub> Reduction (lbs)</b>	<b>Lifetime CO<sub>2</sub> Reduction (lbs)</b>	<b>Lifetime Water Reduction (gallons)</b>
Appliance Recycling	15	314	3,142,738	684,008
Low-Income Weatherization	20	429	4,672,361	933,869
Residential New Construction	39	844	8,475,517	1,837,839
Shade Tree Program	17	368	3,678,280	800,567
Efficient Products	913	19,763	197,627,766	43,013,102
Existing Home Program	263	5,694	56,942,788	12,393,430
Multi-Family Housing Efficiency	9	195	1,952,090	424,867
C&I Facilities	124	2,693	26,929,592	5,861,146
Bid For Efficiency (Pilot)	0	0	0	0
Retro-Commissioning	0	0	0	0
C&I Demand Response	19	422	4,215,301	917,448
Behavioral Comprehensive	98	2,118	27,286,935	4,610,017
Home Energy Reports	0	0	0	0
Consumer Education & Outreach	0	0	0	0
Residential EE Financing	0	0	0	0
Energy Codes & Standards Enhancement	24	515	5,149,928	1,120,867
<b>Portfolio Totals</b>	<b>1,542</b>	<b>33,355</b>	<b>340,073,298</b>	<b>72,597,160</b>

## UNS Electric, Inc.

### DSM PROGRESS REPORT FOR THE PERIOD: January through December 2014

#### Costs Incurred

Costs incurred for this Program during the reporting period are listed below.

DSM Program	Rebates & Incentives	Training & Technical Assistance	Consumer Education	Program Implementation*	Program Marketing	Planning & Admin	Measurement, Evaluation & Research	Program Total Cost
C&I Facilities	\$ 127,898	\$ 1,407	\$ 100	\$ 238,043	\$ 6,102	\$ 9,240	\$ 35,516	\$ 418,107

#### Evaluation and Monitoring Activities and Results

Navigant Consulting performed an evaluation of this Program for 2014. The evaluation resulted in a realization rate of 100% for coincident demand savings and 100% for energy savings. The report is attached in **Appendix 1**.

#### kW, kWh, and Therm Savings

Measure	No. Installed	kW savings	kWh savings
Custom	76	237	1,186,018
HVAC	17	3	51,283
Lighting	740	26	293,939
Plug Load	1	0	1,782
Refrigeration	7	25	182,159
<b>Totals</b>	<b>841</b>	<b>292</b>	<b>1,715,182</b>

*Savings are adjusted for line losses of 10.69% for both demand and energy.*

#### Problems Encountered and Proposed Solutions

Program participation was less than expected in 2014. In 2015, UNS Electric plans to initiate an expanded outreach model designed to educate its business customers on the availability of this program and encourage their participation. A Customer Relationship Manager, located in Mohave County, will be engaged to solicit further enrollment and participation.

#### Program Modifications

There were no modifications during this reporting period.

#### Programs or Measures Terminated

No program measures were discontinued in 2014, however, advanced power strips-occupancy sensors, refrigerated display gaskets and LED channel signs will be eliminated from the program in 2015 per Decision No. 74599. UNS Electric does not plan to terminate this Program or any additional Program measures in 2015.

## UNS Electric, Inc.

### DSM PROGRESS REPORT FOR THE PERIOD:

January through December 2014

#### **C&I DEMAND RESPONSE PROGRAM**

##### **Description**

The UNS Electric Commercial and Industrial ("C&I") Demand Response Program is designed to manage peak demand and mitigate system emergencies through a commercial and industrial load curtailment program. The Program is delivered in-house by engaging with commercial and industrial customers, and encouraging those customers to participate in a proactive demand response program. For those customers who choose to participate, UNS Electric will install equipment that provides Company control of either selected loads or the entire electric load in a facility.

The Company will install metering equipment for all participants to enable proper tracking of interval load data to ensure customer participation in any control event and also to provide data for post event analysis. In addition, participants must agree to be placed on UNS Electric's Interruptible Power Service tariff in lieu of any cash incentive for participation.

##### **Program Goals, Objectives, and Savings Targets**

The primary goal of the Program is to provide up to 10 MW of summer peak demand reduction, available for up to 80 hours per year, in order to mitigate system emergencies.

##### **Levels of Participation**

Two participants enrolled in 2014, for a total of nine sites under contract with an estimated reduction potential of 3.35 MW.

##### **Costs Incurred**

Costs incurred for this Program during the reporting period are listed below:

DSM Program	Rebates & Incentives	Training & Technical Assistance	Consumer Education	Program Implementation	Program Marketing	Planning & Admin	Measurement, Evaluation & Research	Program Total Cost
C&I Demand Response	\$ -	\$ 1,112	\$ -	\$ 184,015	\$ -	\$ 4,184	\$ -	\$ 189,311

##### **Evaluation and Monitoring Activities and Results**

Navigant Consulting performed an evaluation of this Program for 2014. The evaluation confirmed that the Company's calculation of the demand response energy credit allowed per the Standard is correct. The report is attached in **Appendix 1**.

##### **kW, kWh, and Therm Savings**

The Energy Efficiency Standard allows a credit for demand response and load management programs per A.A.C. R14-2-2404 (C). Peak reduction capability may be converted to an annual energy savings equivalent based on an assumed 50% load factor. The credit shall not exceed 10% of the annual standard. The following table shows the allowable credit for this Program based on the available capacity reduction and the 10% cap. See the Program Modifications section below for more information.

Participants	Sites	MW Available	MWh Savings Credit
9	40	3.35	3,542